GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2017
ANSWERED ON:29.11.2001
POWER PROJECTS IN A.P.
NANDIPAKU VENKATASWAMY

Will the Minister of POWER be pleased to state:

(a) whether the Hindujas have approached for setting up a power plant in Andhra Pradesh;

(b) if so, the details thereof; and

(c) the steps taken by the Government to safeguard the interests of the State in the project?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : The Visakhapatnam Thermal Power Project (1040 MW) in Andhra Pradesh being promoted by M/s. Hinduja National Power Corporation Limited (HNPCL) has been accorded techno-economic clearance of Central Electricity Authority (CEA) on July 25, 1996 at an estimated completion cost of US$ 943.75 million + Rs.1324.993 crores (@ 1 US$ = Rs.35.00). On 16.5.1998, Government approved extension of counter-guarantee to this project through a revised procedure. Counter guarantee of Government of India has been issued to the project on August 19, 1998. While extending the counter guarantee, Government of Andhra Pradesh (GoAP) has been advised that as there will be no further examination of the Power Purchase Agreement by the Government of India, GoAP will have to satisfy themselves about the reasonableness of the tariff before financial closure. M/s. HNPCL have submitted the firm financial package, in two parts, to GoAP/Andhra Pradesh Transmission Corporation (APTRANSCO) in the first week of November 1999 and second week of December, 1999. The firm financial package, which is presently under examination of GoAP/APTRANSCO, is required to be forwarded to CEA, along with recommendations of GoAP. GoAP have informed that they are negotiating reduction of capital cost of the project as required under the revised procedure for extension of counter guarantee.